

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 378 - SB 605**

February 6, 2013

**SUMMARY OF BILL:** Authorizes the Department of Economic and Community Development to reduce the amount of money, grants, funds, or other incentives disbursed by the Department to any legal entity if such entity fails to create jobs as proposed in the entity's application for such money, grants, funds, or other incentives.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- The Department will include a provision in all of its future contracts reserving the right to reduce payments to a grantee for failure to create the jobs proposed in the grantee's application.
- The Department is currently in the process of implementing accountability agreements as requirements in some of its incentive grants.
- To the extent money, grants, funds, or other incentives are withheld from certain entities as a direct result of this bill, such money, grants, funds, and other incentives of equal amounts will be distributed to other qualified applicants. Any net change to the amount of funds or incentives distributed is estimated to be not significant.
- Authorizing the department to implement such accountability agreements in all of its contracts will not result in a significant fiscal impact to the Department and can be accommodated within existing resources without an increased appropriation or a reduced reversion.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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